



CA Industry Assistance Workshop

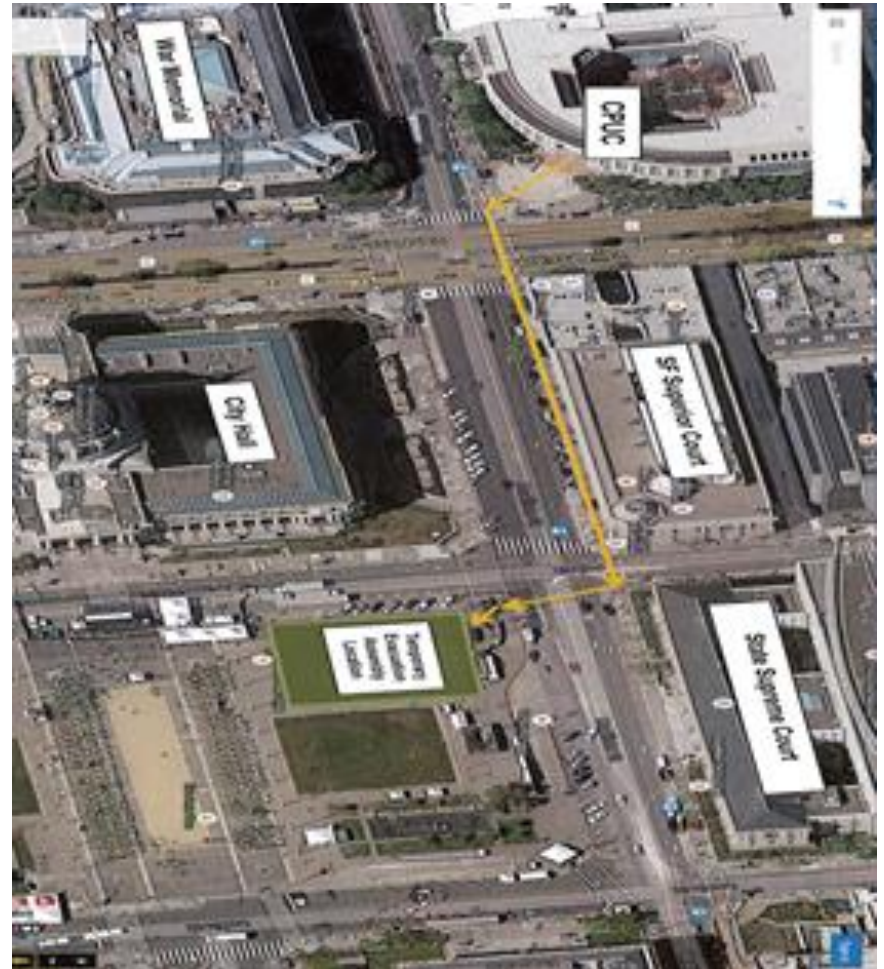


California Public Utilities Commission
Energy Division

May 3, 2016

Safety

- In case of emergency, evacuate to Civic Center Plaza



Workshop Agenda

Time	Description
10:00-10:10	Introductions
10:10-10:45	Status Update
10:45-11:30	Discussion of Issues to Resolve
11:30-12:00	Q&A and Next Steps



STATUS UPDATE

Overview of CA Industry Assistance

- Part of the State of California's Greenhouse Gas Cap-and-Trade Program
- For emissions-intensive and trade-exposed industries
- Aims to protect against emissions leakage
- Compensates facilities for a portion of the GHG emission costs associated with the electricity they buy
- Annual credit provided by utility
- First distribution of credits covers 2013-2016

Energy Division Credit Implementation

Date	Description
December 2014	<ul style="list-style-type: none">CPUC issued D.14-12-037 establishing CA Industry Assistance Methodologies
February 2015	<ul style="list-style-type: none">Issued straw proposal and held public workshop to get stakeholder input on certain implementation processes
March 2015	<ul style="list-style-type: none">Drafted resolution based on workshop feedback
April 2015	<ul style="list-style-type: none">CPUC issued Resolution E-4716 to establish:<ul style="list-style-type: none">attestation requirements for facilities <10,000MT emissionsattestation requirements for voluntary electricity submissions for facilities with subsectorsrefinery formulas for 2015-2020
May 2015	<ul style="list-style-type: none">Developed CPUC's Industry Assistance webpageWorked with ARB on reporting template for voluntary electricity submissionsIssued staff proposal to ALJs to modify D.14-12-037Developed confidentiality protocols and secure server space

Energy Division Credit Implementation (cont.)

Date	Description
June 2015	<ul style="list-style-type: none"> Worked with utilities to develop outreach materials, websites, and attestation systems
July 2015	<ul style="list-style-type: none"> Emailed PG&E and SCE large facilities to assist with data collection
August 2015	<ul style="list-style-type: none"> Worked with ARB and facilities to receive and verify attested subsector electricity data CPUC issued D.15-08-006 to better align CPUC methodologies with ARB's
October 2015	<ul style="list-style-type: none"> Review lists of eligible facilities; follow up with facilities that haven't responded
November 2015	<ul style="list-style-type: none"> Develop database system and coding logic to execute formulas and complete calculations Developed and issued status update to customers
January 2016	<ul style="list-style-type: none"> Reviewed data from ARB and utilities and began calculations
April 2016	<ul style="list-style-type: none"> Communicated credit delay and upcoming workshop
May 2016	<ul style="list-style-type: none"> Workshop on credit status

Summary of Energy Division Work

- Answered 150+ facility phone calls
- Sent 300+ emails to customers to announce credit
- Called and e-mailed 30+ eligible facilities to troubleshoot issues
- Worked with utilities to develop outreach messaging
- Worked with utilities to develop online attestation systems
- Created credit calculation logic to apply credit formulas
- Set up CPUC systems to manage and protect confidential data
- Created CPUC webpage for CA Industry Assistance
- Developed implementation procedures, troubleshoot data collection and eligibility issues, worked with utilities and ARB to collect data

Summary of Implementation Issues to Date

- No new resources to implement CA Industry Assistance
- Difficult to identify eligible large facilities
- Difficult to identify eligible small facilities
- Reliance on data from multiple sources (ARB, utilities, etc.)

PG&E Example of Implementation Challenges

CA Industry Assistance Credit



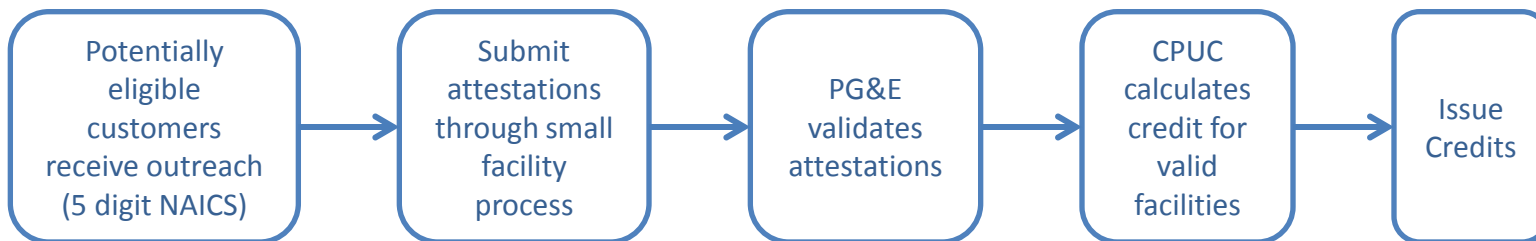
Together, Building
a Better California



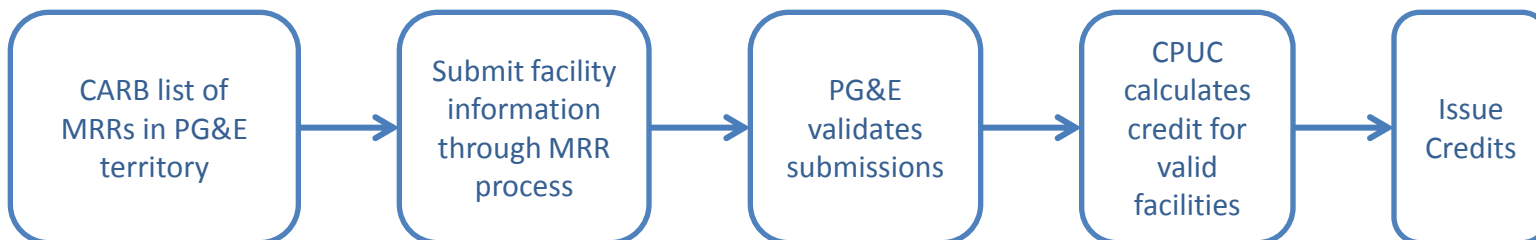
Anticipated Process

July & September Small Facilities

(Deadlines to
submit attestations)



MRRs



Small facility/SMB: facility with annual emissions less than 10,000 MTCO₂e

MRR/Large facility: facility with annual emissions greater than 10,000 MTCO₂e

Key Considerations

Primary Objectives

- Maximize opportunity for all eligible facilities to receive credit
- Ensure accuracy of data

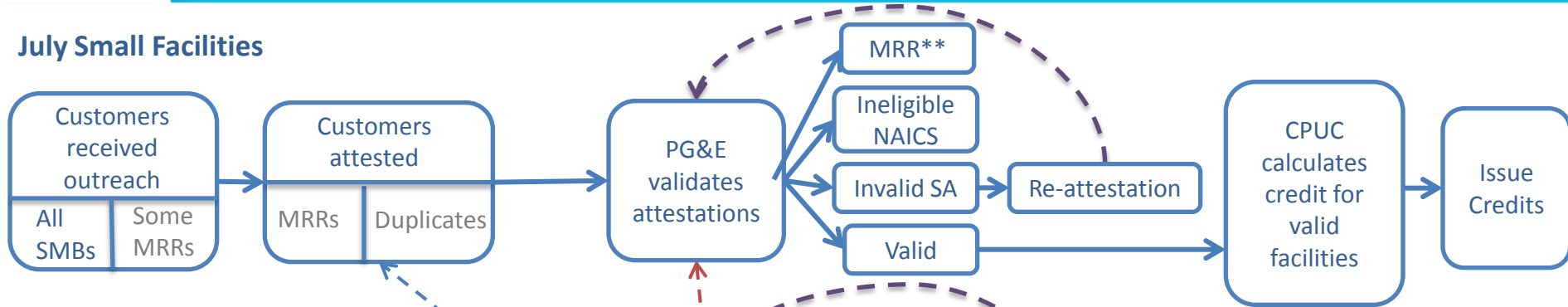
Challenges

- Facility identification
- Navigating complex processes

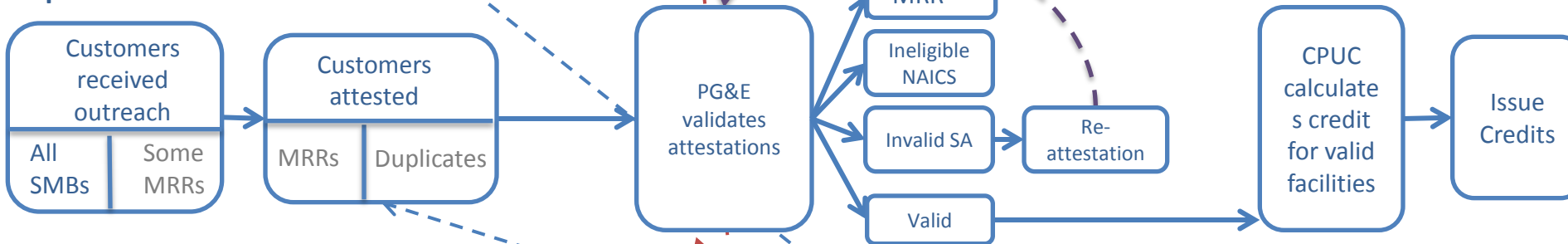


Actual Process

July Small Facilities



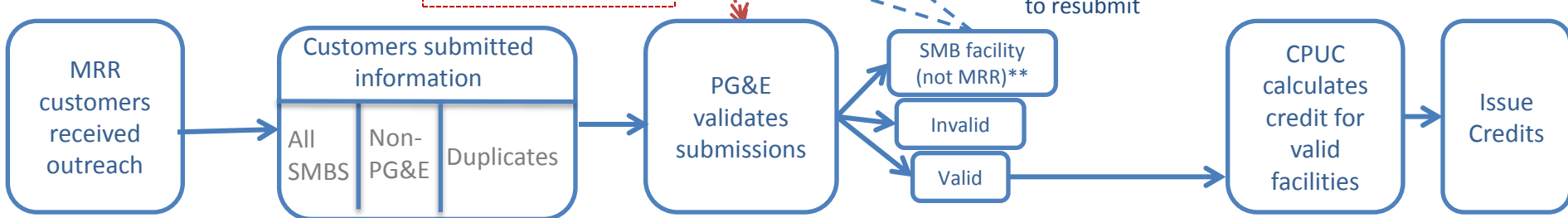
September Small Facilities



Cross-check between
processes for
duplicate submissions

**Entities who went
through incorrect
process were invited
to resubmit

MRRs



Credit Calculation Status

- ARB providing assistance with database development
- Next steps to distribute credits
 - Finalize list of eligible facilities
 - Calculate 2013-2016 credits for each eligible facility
 - Conduct quality assurance of credit calculations
 - Provide credit amounts to respective utilities
 - Utilities apply credits and send outreach materials



ISSUES TO DISCUSS

1. Phased Distribution of First Credits
2. Refinery Equations for CP 1
3. Other Stakeholder Proposals

1. Phased Distribution of First Credits

- **Issue:** Calculations for some 2013-2016 credits may be completed before others; distribution already delayed
- **Proposed solution:** Distribute credits as they are calculated, in 2 or 3 phases
- **Questions for feedback:**
 - Reasonable approach for first distribution of credits?
 - Any administrative costs of phased approach?
 - Reasonable number of phases?

2. Refinery Equations for CP 1

- **Issue:** Existing refinery equations for compliance period (CP) 1 (2013-2014) contain inconsistencies; would result in perverse outcomes
- **Proposed solution:** Adopt CWB methodology currently applicable to CPs 2 and 3, for CP 1
- **Questions for feedback:**
 - Any reason the CWB methodology would not apply to CP 1?

3. Other Stakeholder Proposals

- Based on information provided today, any additional issues to resolve or suggestions on next steps?



Q&A

Additional Information: <http://cpuc.ca.gov/industryassistance/>

Send questions to: industry.assistance@cpuc.ca.gov